

ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2005

	September-05					August-05				July-05				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Quarter	Month		Market Value	Allocation	Month		Market Value	Allocation	Month		Fiscal YTD	FY05	Ended	Ended
		Actual	Policy	Net ROR	Net ROR				Net ROR				Net ROR	Net ROR	Net ROR	6/30/2005	6/30/2005
																Net	Net
LARGE CAP DOMESTIC EQUITY																	
<i>Structured Growth</i>																	
LA Capital	67,862,477	4.3%	4.2%	5.64%	1.53%	66,823,536	4.3%	4.2%	-0.36%	69,281,666	4.4%	4.5%	4.42%	5.64%	8.17%	N/A	N/A
Total Structured Growth	67,862,477	4.3%	4.2%	5.64%	1.53%	66,823,536	4.3%	4.2%	-0.36%	69,281,666	4.4%	4.5%	4.42%	5.64%	8.17%	10.85%	-8.72%
<i>Russell 1000 Growth</i>				4.01%	0.46%				-1.29%				4.89%	4.01%	1.67%	8.07%	-9.95%
<i>Structured Value</i>																	
LSV	67,425,742	4.2%	4.2%	4.82%	1.33%	66,510,634	4.3%	4.2%	-0.39%	77,205,327	4.9%	4.5%	3.86%	4.82%	18.24%	9.94%	11.97%
Russell 1000 Value				3.88%	1.40%				-0.43%				2.89%	3.88%	14.06%	7.59%	3.32%
<i>Enhanced Russell 1000 Index</i>																	
LA Capital	91,092,260	5.7%	5.6%	6.85%	2.20%	89,112,579	5.7%	5.6%	0.45%	92,912,341	5.9%	6.0%	4.07%	6.85%	7.39%	8.60%	N/A
Russell 1000				3.95%	0.93%				-0.87%				3.89%	3.95%	7.92%	7.83%	N/A
<i>Enhanced S&P 500 Index</i>																	
Northern Trust	88,811,633	5.6%	5.6%	3.81%	1.00%	87,861,217	5.6%	5.6%	-1.00%	91,735,061	5.9%	6.0%	3.82%	3.81%	6.02%	7.40%	N/A
Westridge	88,609,621	5.6%	5.6%	3.65%	0.81%	87,883,760	5.6%	5.6%	-0.89%	91,617,673	5.9%	6.0%	3.75%	3.65%	6.66%	7.54%	N/A
Total Enhanced S&P 500 Index	177,421,254	11.2%	11.2%	3.73%	0.90%	175,744,977	11.3%	11.2%	-0.95%	183,352,734	11.7%	12.0%	3.78%	3.73%	6.26%	8.00%	N/A
S&P 500				3.60%	0.81%				-0.91%				3.72%	3.60%	6.32%	7.35%	N/A
<i>S&P 500 Index</i>																	
State Street	44,455,053	2.8%	2.8%	3.61%	0.81%	44,097,713	2.8%	2.8%	-0.90%	45,281,887	2.9%	3.0%	3.72%	3.61%	6.34%	7.37%	-2.85%
S&P 500				3.60%	0.81%				-0.91%				3.72%	3.60%	6.32%	7.35%	-2.88%
TOTAL LARGE CAP DOMESTIC EQUITY	448,256,787	28.2%	28.0%	4.78%	1.32%	442,289,440	28.4%	28.0%	-0.50%	468,033,955	29.9%	30.0%	3.94%	4.78%	8.65%	8.22%	-1.45%
S&P 500				3.60%	0.81%				-0.91%				3.72%	3.60%	6.32%	7.35%	-2.88%
SMALL CAP DOMESTIC EQUITY																	
<i>Manager-of-Managers</i>																	
SEI	160,738,542	10.1%	10.0%	5.48%	0.91%	159,192,989	10.2%	10.0%	-2.46%	166,362,584	10.6%	10.0%	7.17%	5.48%	9.36%	12.29%	N/A
Russell 2000 + 200bp				5.21%	0.48%				-1.69%				6.50%	5.21%	11.64%	12.82%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	160,738,542	10.1%	10.0%	5.48%	0.91%	159,192,989	10.2%	10.0%	-2.46%	166,362,584	10.6%	10.0%	7.17%	5.48%	9.36%	12.29%	4.88%
Russell 2000				4.69%	0.31%				-1.85%				6.34%	4.69%	9.45%	11.15%	4.77%
INTERNATIONAL EQUITY																	
<i>Large Cap - Core</i>																	
State Street	31,022,932	2.0%	1.8%	10.65%	4.75%	29,792,641	1.9%	1.8%	2.51%	32,554,679	2.1%	2.0%	3.04%	10.65%	7.68%	8.28%	-1.66%
MSCI EAFE (1)				10.38%	4.45%				2.53%				3.07%	10.38%	9.59%	7.55%	-2.71%
<i>Large Cap - Active</i>																	
Capital Guardian	92,848,967	5.8%	5.4%	11.82%	4.98%	88,949,201	5.7%	5.4%	2.93%	96,944,942	6.2%	6.0%	3.48%	11.82%	11.23%	7.54%	-2.92%
LSV	92,394,479	5.8%	5.4%	11.55%	6.03%	88,485,270	5.7%	5.4%	1.73%	95,925,324	6.1%	6.0%	3.43%	11.55%	N/A	N/A	N/A
Bank of Ireland	29,873,730	1.9%	1.8%	6.99%	2.65%	29,264,605	1.9%	1.8%	0.93%	31,914,546	2.0%	2.0%	3.26%	6.99%	12.20%	N/A	N/A
Total Large Cap - Active	215,117,176	13.5%	12.6%	11.02%	5.10%	206,699,076	13.2%	12.6%	2.13%	224,784,811	14.4%	14.0%	3.43%	11.02%	13.74%	7.27%	-2.84%
MSCI EAFE - 50% Hedged				11.07%	5.36%				1.95%				3.40%	11.07%	14.41%	7.78%	-2.59%
<i>Small Cap - Active</i>																	
Lazard	30,579,069	1.9%	1.8%	9.65%	2.52%	29,989,495	1.9%	1.8%	2.73%	32,930,134	2.1%	2.0%	4.11%	9.65%	19.82%	N/A	N/A
Wellington	30,026,839	1.9%	1.8%	8.08%	2.86%	31,927,061	2.0%	1.8%	1.48%	32,498,805	2.1%	2.0%	3.56%	8.08%	12.00%	N/A	N/A
Total Small Cap - Active	60,605,908	3.8%	3.6%	8.88%	2.69%	61,916,556	4.0%	3.6%	2.11%	65,428,939	4.2%	4.0%	3.83%	8.88%	15.90%	N/A	N/A
Citigroup Broad Market Index < \$2BN				12.05%	4.70%				3.00%				3.90%	12.05%	21.33%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	306,746,016	19.3%	18.0%	10.56%	4.58%	298,408,273	19.1%	18.0%	2.18%	322,768,430	20.6%	20.0%	3.47%	10.56%	13.12%	9.44%	-0.97%
MSCI EAFE - 50% Hedged				11.07%	5.36%				1.95%				3.40%	11.07%	14.41%	7.78%	-2.59%
EMERGING MARKETS EQUITY																	
Capital Guardian	67,304,784	4.2%	3.6%	16.25%	8.57%	61,946,640	4.0%	3.6%	0.09%	61,939,270	4.0%	3.6%	6.98%	16.25%	33.94%	16.80%	1.21%
UBS	23,426,635	1.5%	1.4%	N/A	9.14%	21,451,633	1.4%	1.4%	2.11%	21,148,442	1.4%	1.4%	N/A	N/A	N/A	N/A	N/A
TOTAL EMERGING MARKETS EQUITY	90,731,419	5.7%	5.0%	17.05%	8.72%	83,398,273	5.3%	5.0%	0.60%	83,087,712	5.3%	5.0%	7.02%	17.05%	33.94%	16.80%	1.21%
MSCI Emerging Markets Free				18.11%	9.32%				0.90%				7.08%	18.11%	34.89%	19.03%	4.82%
DOMESTIC FIXED INCOME																	
<i>Core Bond</i>																	
Western Asset	17,424,367	1.1%	1.3%	-0.48%	-1.01%	17,110,114	1.1%	1.3%	1.15%	10,576,900	0.7%	0.9%	-0.62%	-0.48%	7.25%	4.82%	7.29%
Lehman Aggregate				-0.67%	-1.03%				1.28%				-0.91%	-0.67%	6.80%	3.23%	5.85%
<i>Index</i>																	
Bank of ND	35,825,304	2.3%	2.4%	-0.93%	-1.34%	33,952,517	2.2%	2.4%	1.68%	18,897,734	1.2%	1.1%	-1.23%	-0.93%	7.23%	3.35%	6.08%
Bank of ND Match Loan CD Program	9,466,484	0.6%	0.6%	1.28%	0.43%	9,859,633	0.6%	0.6%	0.43%	9,862,919	0.6%	0.6%	0.42%	1.28%	5.08%	4.05%	4.76%
Total Index	45,291,788	2.9%	3.0%	-0.43%	-0.96%	43,812,151	2.8%	3.0%	1.37%	28,760,653	1.8%	1.8%	-0.82%	-0.43%	6.91%	3.40%	5.89%
Lehman Gov/Credit				-0.96%	-1.31%				1.49%				-1.13%	-0.96%	7.26%	3.62%	6.00%
<i>Convertibles</i>																	
TCW	17,634,678	1.1%	1.2%	2.95%	0.86%	16,991,558	1.1%	1.2%	-0.80%	8,419,014	0.5%	0.6%	2.89%	2.95%	-0.23%	9.87%	-2.01%
Merrill Lynch All Convertibles				4.15%	0.99%				-0.07%				3.19%	4.15%	0.66%	11.20%	1.19%

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	Market Value	Allocation	Quarter	Month	Month	Market Value	Allocation	Month	Month	Market Value	Allocation	Month	Month	Fiscal YTD	FY05	Ended	Ended
				Net ROR	Net ROR									Net ROR	Net ROR	6/30/2005	6/30/2005
																Net	Net
BBB Average Quality																	
Wells Capital (formerly Strong)	17,187,985	1.1%	1.3%	-0.82%	-1.79%	17,943,350	1.2%	1.3%	1.50%	12,123,590	0.8%	0.9%	-0.50%	-0.82%	12.04%	4.88%	6.19%
Lehman BBB				-0.97%	-1.69%				1.48%				-0.74%	-0.97%	8.60%	5.86%	5.89%
Private Debt																	
Prudential	17,068,877	1.1%	1.1%	-0.27%	-0.85%	16,751,586	1.1%	1.1%	1.58%	951,745	0.1%	0.1%	-0.98%	-0.27%	N/A	N/A	N/A
Lehman Aggregate				-1.03%					1.28%				-0.91%	-0.67%	N/A	N/A	N/A
Timberland																	
RMK	18,654,838	1.2%	1.2%	-0.24%	-0.08%	18,137,434	1.2%	1.2%	-0.08%	11,910,534	0.8%	0.8%	-0.08%	-0.24%	14.50%	7.42%	N/A
TIR	46,894,851	3.0%	3.0%	-0.09%	-0.03%	45,594,194	2.9%	2.9%	-0.03%	29,940,979	1.9%	1.9%	-0.03%	-0.09%	N/A	N/A	N/A
Total Timberland	65,549,689	4.1%	4.1%	-0.13%	-0.04%	63,731,628	4.1%	4.1%	-0.04%	41,851,512	2.7%	2.7%	-0.04%	-0.13%	44.29%	7.46%	N/A
NCREIF Timberland Index				0.32%					0.32%				0.32%	0.95%	14.07%	3.03%	N/A
TOTAL DOMESTIC FIXED INCOME	180,157,384	11.3%	12.0%	-0.09%	-0.54%	176,340,387	11.3%	12.0%	0.58%	102,683,414	6.6%	7.0%	-0.13%	-0.09%	19.23%	5.43%	5.13%
Lehman Aggregate				-0.67%	-1.03%				1.28%				-0.91%	-0.67%	6.80%	3.23%	5.85%
HIGH YIELD BONDS																	
Loomis Sayles	53,960,876	3.4%	3.5%	1.24%	-0.60%	54,261,563	3.5%	3.5%	0.34%	53,865,608	3.4%	3.5%	1.49%	1.24%	15.96%	N/A	N/A
Lehman High Yield Cash Pay Index				0.99%	-0.89%				0.31%				1.58%	0.99%	10.83%	N/A	N/A
Sutter/Wells Capital	53,167,967	3.3%	3.5%	0.31%	-1.82%	54,131,652	3.5%	3.5%	0.33%	53,043,354	3.4%	3.5%	1.82%	0.31%	9.62%	N/A	N/A
Merrill Lynch High Yield Master II Index				0.99%	-0.89%				0.31%				1.58%	0.99%	10.63%	N/A	N/A
TOTAL HIGH YIELD BONDS	107,128,843	6.7%	7.0%	0.77%	-1.20%	108,393,215	6.9%	7.0%	0.34%	106,908,962	6.8%	7.0%	1.66%	0.77%	12.76%	9.21%	3.17%
Lehman High Yield Bond Index				0.99%	-0.89%				0.31%				1.58%	0.99%	10.86%	11.00%	5.48%
INTERNATIONAL FIXED INCOME																	
International Sovereign																	
UBS Global (Brinson)	37,619,820	2.4%	2.5%	-1.08%	-1.99%	38,372,986	2.5%	2.5%	1.61%	34,861,617	2.2%	2.5%	-0.66%	-1.08%	7.92%	8.04%	6.37%
Citigroup Non-US Gov't Bond Index (2)				-1.24%	-2.07%				1.85%				-0.96%	-1.24%	7.75%	7.80%	6.06%
International Core																	
Brandywine	38,230,563	2.4%	2.5%	0.80%	-0.06%	38,239,210	2.5%	2.5%	1.46%	37,435,559	2.4%	2.5%	-0.60%	0.80%	11.78%	N/A	N/A
Lehman Global Aggregate (ex-US)				-0.86%	-1.97%				1.88%				-0.73%	-0.86%	8.10%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	75,850,384	4.8%	5.0%	-0.15%	-1.03%	76,612,196	4.9%	5.0%	1.53%	72,297,177	4.6%	5.0%	-0.63%	-0.15%	9.84%	8.57%	6.68%
Citigroup Non-US Gov't Bond Index (2)				-1.24%	-2.07%				1.85%				-0.98%	-1.24%	7.75%	7.80%	6.06%
REAL ESTATE																	
INVESCO	75,429,387			7.19%	8.52%	69,507,916			-1.39%	70,489,469			0.17%	7.19%	22.20%	7.35%	7.58%
J.P. Morgan	74,740,673			6.33%	3.52%	72,202,133			1.71%	70,985,285			0.99%	6.33%	19.52%	8.40%	7.89%
TOTAL REAL ESTATE	150,170,060	9.5%	9.0%	6.76%	5.97%	141,710,048	9.1%	9.0%	0.17%	141,474,734	9.0%	9.0%	0.58%	6.76%	20.77%	7.86%	7.74%
NCREIF TOTAL INDEX				4.44%	1.46%				1.46%				1.46%	4.44%	18.02%	7.60%	8.14%
ALTERNATIVE INVESTMENTS																	
Brinson IVCF III	605,117			-4.74%	-4.74%	641,811			0.00%	641,811			0.00%	-4.74%	15.66%	-2.57%	4.14%
Coral Partners V	4,531,606			0.01%	0.00%	4,532,488			0.01%	4,532,550			0.00%	0.01%	-18.97%	-18.86%	-19.31%
Coral Partners V - Supplemental	553,759			-7.36%	0.00%	553,867			0.00%	553,927			-7.36%	-7.36%	-6.85%	-4.69%	N/A
Coral Partners VI	4,441,159			-1.55%	0.00%	4,285,955			0.00%	4,286,419			-1.55%	-1.55%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,375,868			3.17%	3.17%	1,331,313			0.00%	1,496,795			0.00%	3.17%	19.64%	-1.27%	-4.69%
Brinson 1999 Partnership Fund	2,684,436			2.44%	2.44%	2,489,177			0.00%	2,489,447			0.00%	2.44%	9.31%	-0.57%	-5.94%
Brinson 2000 Partnership Fund	5,477,157			6.45%	6.45%	5,146,255			0.00%	5,146,798			0.00%	6.45%	14.97%	0.60%	-2.31%
Brinson 2001 Partnership Fund	3,237,697			3.91%	3.91%	3,116,420			0.00%	3,116,758			0.00%	3.91%	4.00%	1.38%	N/A
Brinson 2002 Partnership Fund	2,023,538			3.47%	5.20%	1,923,838			-1.64%	1,729,356			0.00%	3.47%	-4.22%	8.90%	N/A
Brinson 2003 Partnership Fund	402,612			7.59%	7.59%	374,297			0.00%	374,337			0.00%	7.59%	1.71%	N/A	N/A
Total Brinson Partnership Funds	15,201,308			4.56%	4.76%	14,381,299			-0.20%	14,353,491			0.00%	4.56%	9.80%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,218,589			-5.55%	-5.55%	1,427,670			0.00%	1,427,825			0.00%	-5.55%	32.09%	8.96%	4.08%
Brinson 2000 Non-US Partnership Fund	1,682,785			-0.69%	-0.69%	1,694,890			0.00%	1,695,074			0.00%	-0.69%	15.57%	7.86%	1.75%
Brinson 2001 Non-US Partnership Fund	1,845,259			9.11%	9.11%	1,703,627			0.00%	1,414,490			0.00%	9.11%	9.19%	8.22%	N/A
Brinson 2002 Non-US Partnership Fund	2,187,730			-0.04%	-0.04%	2,188,945			0.00%	2,658,146			0.00%	-0.04%	12.60%	7.71%	N/A
Brinson 2003 Non-US Partnership Fund	1,213,956			0.61%	0.61%	951,632			0.00%	951,735			0.00%	0.61%	2.52%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	317,320			4.09%	4.09%	304,916			0.00%	304,949			0.00%	4.09%	0.42%	N/A	N/A
Total Brinson Non-US Partnership Fund	8,465,638			0.99%	0.99%	8,271,681			0.00%	8,452,219			0.00%	0.99%	15.11%	N/A	N/A
Brinson BVCF IV	7,349,685			10.29%	0.00%	7,351,114			10.29%	7,673,650			0.00%	10.29%	6.06%	4.49%	-6.48%
Matlin Patterson Global Opportunities	7,766,353			-8.79%	0.00%	7,767,864			-8.79%	8,517,531			0.00%	-8.79%	102.75%	N/A	N/A
Matlin Patterson Global Opportunities II	6,641,087			0.00%	0.00%	5,136,983			0.00%	4,116,667			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	2,110,465			0.00%	0.00%	1,320,557			0.00%	1,320,700			0.00%	0.00%	-18.88%	-6.88%	N/A
Hearthstone MSII	333,439			0.00%	0.00%	1			0.00%	1			0.00%	0.00%	1214.92%	18.39%	13.51%
Hearthstone MSIII	6,068,486			4.53%	0.00%	7,799,926			0.00%	7,800,772			4.53%	4.53%	16.51%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	64,068,103	4.0%	5.0%	1.57%	1.19%	62,043,545	4.0%	5.0%	0.02%	62,249,738	4.0%	5.0%	0.36%	1.57%	17.30%	3.06%	-3.04%
CASH EQUIVALENTS																	
Northern Trust STIF/STEP	3,993,964	0.3%	1.0%	0.89%	0.30%	11,625,654	0.7%	1.0%	0.29%	38,994,118	2.5%	2.0%	0.30%	0.89%	2.19%	1.39%	2.46%
90 Day T-Bill				0.83%	0.30%				0.29%				0.24%	0.83%	2.15%	1.11%	2.35%
TOTAL FUND	1,587,841,502	100.0%	100.0%	5.70%	2.20%	1,560,014,019	100.0%	100.0%	0.23%	1,564,860,823	100.0%	100.0%	3.17%	5.70%	13.36%	11.42%	3.23%
POLICY TARGET BENCHMARK				4.95%	1.59%				0.36%				2.93%	4.95%	11.68%	10.29%	2.47%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.